



FIRST-TIME HOMEBUYER MORTGAGE PROGRAM

Interest Rate

Please call a participating lender for current rates. For a list of participating lenders, refer to the NJHMFA participating lender list at www.njhousing.gov/includes/lender.html.

Mortgage Loan Maturity

30 year term only, fixed rate, maximum Loan-to-Value (LTV) based on loan type guidelines. Loans types may be conventional FHA, VA or USDA.

Eligible Properties

The property must be located in the State of New Jersey. One-family units, including condominiums (new and existing), 2- to 4-family dwellings which have been in existence for 5 or more years. Targeted area only: any new or existing 2 unit dwelling. Urban Target Areas (UTA) are based upon census data. Therefore, in order to find out if an address is located in a UTA, you will need to identify the census tract within which the address is located.

To determine if the proposed property is within an Urban Target Area (UTA), visit the Site Evaluator (www.njhousing.gov/homeownership/buyers/site) and follow the Site Evaluator Tutorial (www.njhousing.gov/homeownership/buyers/site/#2) for instructions on how to find census information.

Eligible Borrowers

Individuals only. Corporations are not permitted to act as borrowers. Borrowers purchasing properties located in the statewide areas must be first time home buyers. Borrowers purchasing properties located in the targeted areas do not have to be first time home buyers, however, at the time of loan closing no other residential properties may be owned. All borrowers must have a minimum credit score of 620. The middle score from the three credit repositories – Equifax, Experian & TransUnion must be used. If there are less than three reported credit scores the lowest score will be used. If the borrower does not have a credit score they do not qualify.

Occupancy

Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the loan.

Mortgage Insurance

The following coverage is required on all conventional loans and is determined by downpayment.

LTV Range	Coverage Amount Required
95.01% to 97% LTV	35% Coverage
90.01% to 95% LTV	30% coverage
80.01% to 90% LTV	25% coverage

Loans processed under FHA, VA or USDA guidelines must have the appropriate insurance or guarantee.

Downpayment Requirements

Downpayments are based on the mortgage insurer or guarantor's guidelines.

Closing Costs

Borrower may fund closing costs with a NJHMFA Smart Start loan. Escrow payments must be paid from borrower's liquid assets.

Income Limits

Income limits for all mortgage programs are determined by the area of purchase as well as family size.

Purchase Price Limits

Purchase price limits exist for both the statewide and target areas. Loans submitted using FHA, VA and/or USDA guidelines must adhere the respective agency or HMFA guidelines (whichever is lower) regarding purchase price limits or mortgage loan limits.

